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Western Europe: Economic Links With the Soviet Bloc

An Intelligence Assessment

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EUR 83-10132
May 1983

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Western Europe: Economic Links With the Soviet Bloc

An Intelligence Assessment

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Office of European Analysis.

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EUR 83-10132
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Western Europe: Economic Links With the Soviet Bloc

Key Judgments

Information available as of 1 April 1983 was used in this report.

Western Europe's economic links to the Soviet Bloc [1] are dominated by merchandise trade. While other categories of economic relationships, such as flows of services and investments, are generally extremely small, the large loans made to Bloc countries during the 1970s make some West European banks vulnerable to a Bloc default. Although a default by a single country probably would not cause major problems, a Bloc-wide default might force the West European governments to intervene to protect their banking systems.

Even the trade links to the Bloc are relatively small. Last year the Bloc's share of exports from the NATO countries of Western Europe was only 3.2 percent,[2] the lowest level in at least 20 years; over half of these exports came from West Germany. Imports from the Bloc have held up better, due mainly to purchases of Soviet oil and gas. The Bloc's share of total European NATO imports reached 4.5 percent, its highest level since 1964.

Over the years the Soviet Union has accounted for an increasing proportion of the Bloc's trade with NATO Europe. In the 1960s and early 1970s, the Soviet share of total trade (exports plus imports) was typically about one-third. Last year, for the first time, it exceeded one-half. On the import side, NATO Europe's purchases were increasingly concentrated on the USSR because of its ability to provide oil and natural gas. Meanwhile financial problems forced East European countries to reduce their imports and raised the Soviet share in Europe's exports to the Bloc.

NATO Europe's trade with the Bloc is largely an exchange of capital-intensive manufactures for simpler goods. Exports to the USSR are dominated by machinery and steel, although chemicals and foodstuffs are also important. Exports to Eastern Europe are more diversified. Machinery is still the largest category, but consumer goods, foodstuffs, chemicals, steel, and other semifinished goods are also significant. Four-fifths of imports from the USSR consist of fuels—crude oil, oil products, and natural gas—whereas a wide range of products is imported from Eastern Europe.

[1] The Soviet Bloc refers to the USSR and the East European countries of Poland, East Germany, Czechoslovakia, Hungary, Bulgaria, and Romania.
[2] All trade data presented in this paper are from Western sources. In all cases the export data is shown on an f.o.b. basis while the import data is c.i.f.

The importance of East-West trade for employment tends to be exaggerated by the West Europeans. For West Germany, where the data are best, we estimate that in 1982 only about 0.9 percent of the labor force depended on this trade for their jobs. The percentage in the rest of NATO Europe was presumably even lower because these countries combined sold slightly less to the Bloc than did West Germany.

The West Europeans still strongly defend their trade with the Bloc and emphatically reject any measures that suggest "economic warfare." They continue to believe that trade with the West will tend to restrain Soviet behavior—although optimism on this score has declined substantially in the wake of the events in Poland and Afghanistan. Proponents of trade with the Bloc now tend to focus more on the economic benefits of such trade.

Economic ties between Western Europe and the Soviet Bloc are not likely to increase substantially during this decade. Western banks will remain reluctant to boost lending to the Bloc, and Bloc export prospects will be limited by the sluggish economic growth expected in Western Europe. Increased Soviet gas earnings will be offset by declining oil exports. With its access to hard currency thus limited, the Bloc's share of Western Europe's exports is not likely to increase.

The West Europeans may be willing to make some concessions in order to avoid episodes such as last year's dispute over the Soviet pipeline. In particular they might be willing to renounce an additional Soviet pipeline as a means of meeting their gas needs in the 1990s—in part because another pipeline would greatly increase their feeling of vulnerability and in part because projections of gas demand are being revised downward. They might also agree to some further tightening of COCOM rules, especially if the United States can make a strong case that the Soviets have used COCOM-approved material in the past to strengthen their military. Another possibility is a broad framework accord on credits for the Soviet Bloc, although the West Europeans will argue that not much more is needed because of the drastic curtailment of private lending to the Bloc and the OECD consensus agreement last July that raised minimum interest rates on government-backed credits for the Soviets. The West Europeans will attempt to ensure that any agreement implies equal burden sharing among the Western countries and, in addition does not have the appearance of US imposition of its policies on others.

Contents

Western Europe: Economic Links With the Soviet Bloc

General Attitudes Toward East-West Trade

The West Europeans generally believe that increased trade with the East is both a result and a promoter of detente. The view probably is less firmly held than in the mid-1970s because of the dropoff in exports late in the decade, the continuing Soviet military buildup, and the events in Poland and Afghanistan. Nevertheless, most West Europeans still argue that Soviet behavior will be more restrained if the USSR has a large stake in the international economic system.

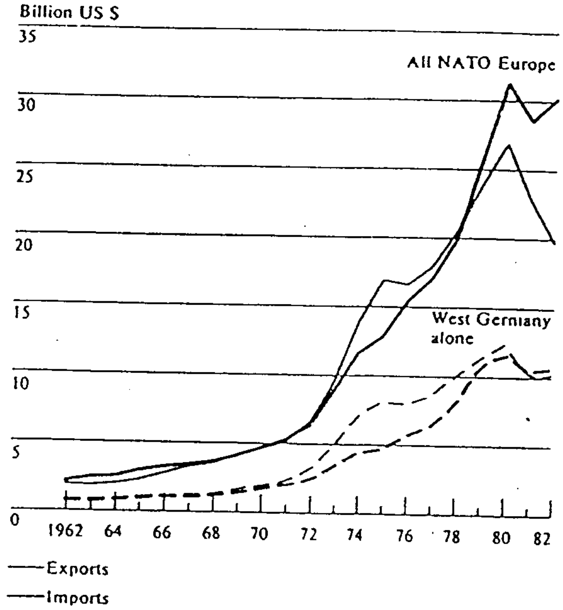
West European governments generally reject the use of economic sanctions against the Soviet Bloc except in very limited cases for the purpose of making a political point. An example would be the very modest trade restrictions imposed by the EC on the USSR in response to the declaration of martial law in Poland. The West European rationale basically is that sanctions may hurt the West as much as the East and, in any event, do not affect Soviet behavior. Underlying this attitude is a strong feeling that the cost of sanctions will not be distributed evenly among the Western countries and that Western Europe in particular will bear a disproportionate share of the burden.

The West Europeans nonetheless do not view trade with the East purely as an economic phenomenon. This is shown, for example, by the participation of the major West European governments in COCOM restrictions on exports that could improve Soviet military capabilities. Even here, however, they tend to take a much narrower view than does the United States in deciding what goods fall into this category.

Trade Patterns

Taken as a whole, the trade of the NATO countries of Western Europe with the Soviet Bloc is relatively small. Over the last two decades the Bloc share of their exports usually has been in the 3- to 4-percent range, with a peak of 4.9 percent in 1975. The mid-1970s export boom was financed mainly by Soviet oil earnings and credits from Western banks and governments. Since then the Bloc's share of NATO Europe's exports has fallen dramatically, reflecting the Bloc's attempts to curb the growth of its hard currency debt. Last year the share was down to 3.2 percent, the lowest level in at least 20 years, as NATO Europe's exports to the Bloc declined even in value terms.

Figure 1
NATO Europe: Trade With the Soviet Bloc



The Bloc's relative decline as a market for NATO Europe's exports is due mainly to Eastern Europe. In the mid-1960s exports to these countries were double

Table 1
NATO Europe: Trade With the Soviet Bloc, 1982 [a]

Million US $

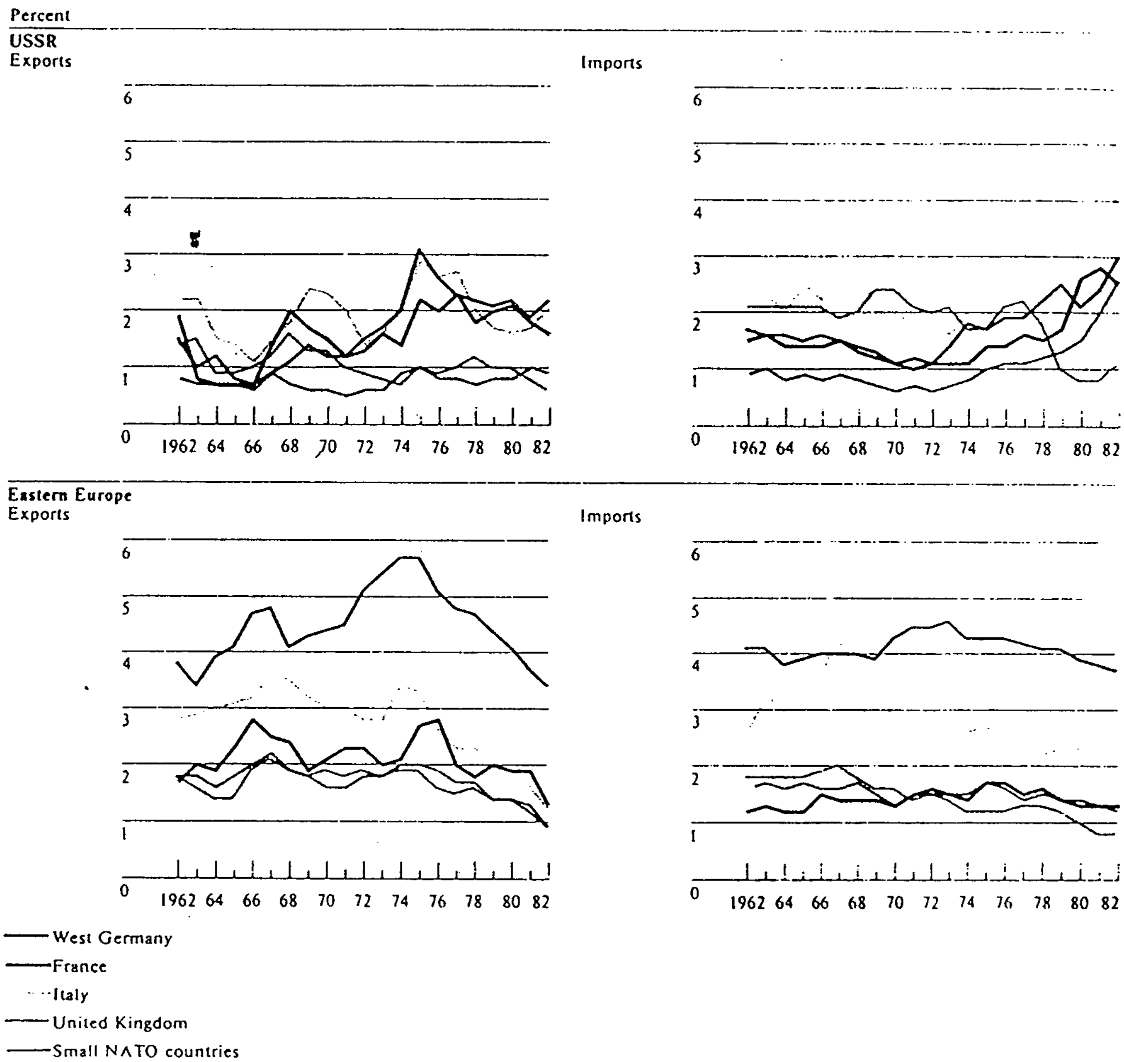
	Poland	East Germany	Czechoslovakia	Hungary	Bulgaria	Romania	Total EE	USSR	Total Soviet Bloc
Exports	**2,078**	**3,294**	**1,375**	**1,941**	**1,016**	**1,094**	**10,799**	**9,196**	**19,995**
West Germany	873	2,538	773	1,072	486	368	6,110	3,936	10,046
France	442	258	108	198	106	159	1,271	1,558	2,830
Italy	167	125	109	222	163	131	917	1,529	2,446
United Kingdom	230	110	120	132	82	210	885	623	1,508
Netherlands	144	101	87	132	44	52	560	424	984
Belgium-Luxembourg	74	51	63	88	46	48	370	533	903
Denmark	48	30	24	36	7	5	150	86	236
Norway	48	9	18	20	3	15	113	97	210
Spain	40	53	32	25	32	34	216	224	440
Portugal [b]	3	5	3	3	4	8	26	51	77
Greece	9	14	38	13	43	64	181	135	316
Imports	**2,366**	**4,260**	**1,764**	**1,538**	**630**	**1,883**	**12,441**	**17,658**	**30,099**
West Germany	884	2,716	840	755	194	537	5,926	4,669	10,595
France	330	284	172	173	101	386	1,446	2,883	4,329
Italy	289	168	249	301	121	549	1,677	3,632	5,309
United Kingdom	257	242	144	73	35	92	843	1,129	1,972
Netherlands	151	209	128	83	20	99	690	2,518	3,208
Belgium-Luxembourg	106	137	55	34	27	26	385	1,456	1,841
Denmark	106	159	61	35	10	17	388	333	721
Norway	97	183	36	19	1	11	347	225	572
Spain	94	105	30	20	16	112	377	495	872
Portugal [b]	5	11	8	2	1	4	31	96	127
Greece	47	46	41	43	104	50	331	222	553

[a] Because of rounding, components may not add to totals shown.
[b] January to November data only for Portugal.

those to the USSR, and this proportion was maintained in the early 1970s as the East Europeans stepped up imports of Western goods to modernize their economies and upgrade living standards. The rising tide of imports was financed largely by credits, which the East Europeans planned to repay through improved export performance. However, systemic inefficiencies coupled with recession and rising protectionism in the West dashed their hopes for strong growth of hard currency sales

With their debt service obligations increasing, most East European countries began to retrench in the late 1970s and slowed growth largely through steep cuts in investment. Only East Germany held to a growth policy based on rising hard currency imports and debt. In 1981, Poland's economic decline, Romania's financial chaos, and mounting concern among Western lenders over creditworthiness of the Council for Mutual Economic Assistance (CEMA) countries generally forced all except Bulgaria to cut hard currency

Figure 2
European NATO Countries:
Trade With the USSR and Eastern Europe



imports. As a result NATO Europe's exports to Eastern Europe fell sharply in dollar terms—ending two decades of steady growth—and the decline accelerated in 1982. Last year NATO Europe's exports to Eastern Europe totaled $10.8 billion and accounted for just 1.7 percent of total exports—barely half the percentage recorded in 1974 and 1975.

The Bloc's share of NATO Europe's imports has risen in recent years, following a long period of decline during the 1960s and stagnation during the early 1970s. The pickup mainly reflects increased purchases of energy from the USSR. Imports from the Bloc totaled $30.1 billion in 1982, of which almost three-fiftns came from the Soviet Union. The Bloc's share of imports reached 4.5 percent, its highest level since 1964

Higher imports from the East coupled with slumping exports have pushed NATO Europe's trade with the Soviet Bloc sharply into deficit. The $4 billion surplus of 1975 had by 1981 turned into a $4 billion deficit, and last year the deficit soared to $10.1 billion—of which $8.5 billion was with the USSR.

NATO Europe's trade with the USSR is largely an exchange of steel and machinery for fuels. Energy products now account for about four-fifths of Soviet exports to the area; roughly two-thirds of these energy exports consist of crude oil and oil products, with natural gas accounting for most of the remainder. By the end of the decade most energy forecasters expect natural gas to become the dominant commodity as Soviet oil exports taper off and the new gas pipeline comes into operation. Other significant Soviet exports are raw materials, chemicals, gold, and diamonds. West European exports to the USSR are dominated by machinery, especially heavy industrial machinery, and steel products, especially large-diameter pipe. In recent years exports of agricultural products have gained importance, accounting for more than one-fifth of the total in 1981

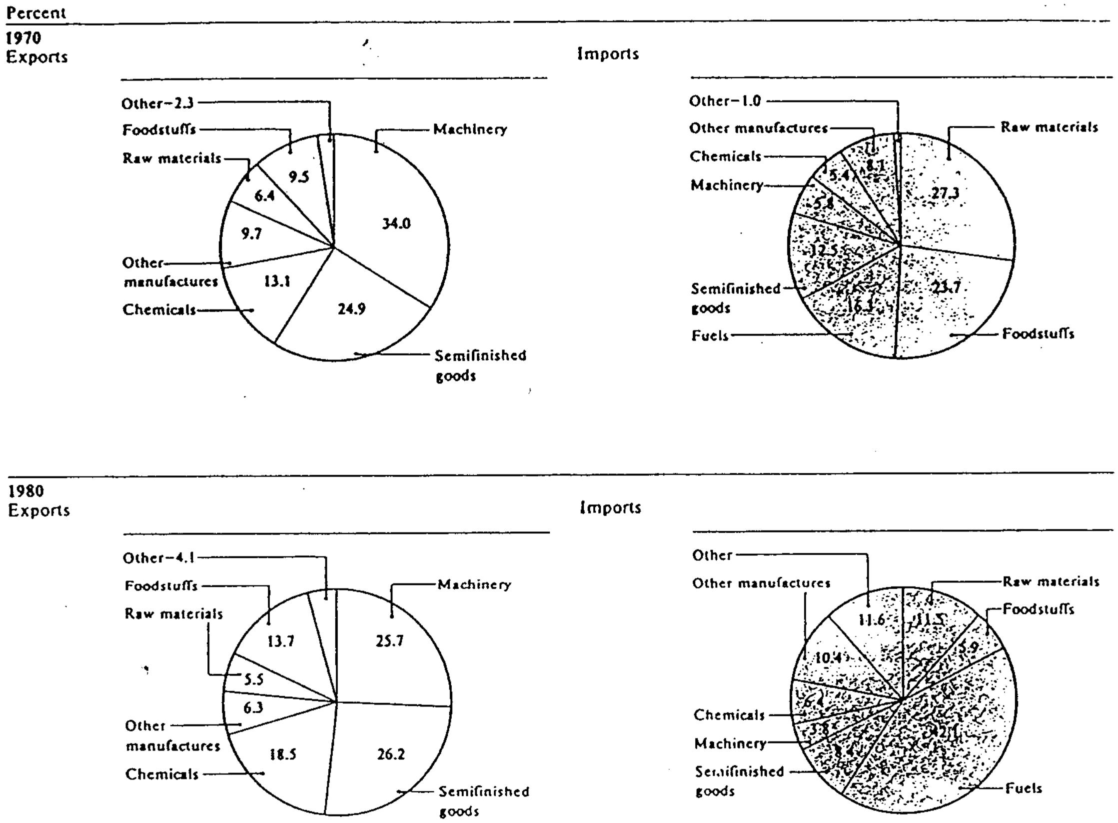
Trade with the other Bloc countries is considerably more diversified. More than three-fourths of NATO Europe's shipments to Eastern Europe are manufactured goods—primarily machinery, semifinished products (mainly steel and textiles), and chemicals. Foodstuffs have gained importance as the East Europeans cut back on investment and now account for 15 percent of exports. On the import side foodstuffs and raw materials each account for more than 10 percent, fuels for more than 20 percent, and manufactures for just over half of the total. About one-third of the manufactured imports are semifinished goods, particularly textiles and basic metals, while another one-third consist of clothing and other consumer goods

The Jobs Factor

The importance of exports to the Soviet Bloc for West European employment probably has been exaggerated, at least in purely economic terms. The best data available are for West Germany where a major economics institute did a detailed, sector-by-sector study of the employment effect as of 1979. Extrapolating their results to 1982, we estimate that the total number of West German workers that depend, directly or indirectly, on exports to the Bloc is probably close to 250,000—equal to 1.0 percent of total employment or 0.9 percent of the labor force. While the number of jobs is relatively small, the political significance is magnified by the fact that the jobs tend to be concentrated in industries that are both highly unionized and badly hurt by the current recession. For example, in the steel industry we estimate that 5.9 percent of the jobs (or 15,000 workers) depend on exports to the Bloc, while in the machinery industry the figure is 2.6 percent (26,000 workers).

For the other NATO European countries combined, the total number of jobs dependent on exports to the Bloc probably is greater than the 250,000 figure that we estimate for West Germany. Their exports to the Bloc almost matched West Germany's in dollar value in 1982, and the goods they sold probably were, on average, more labor intensive than those of West Germany. It is likely, however, that in each of the other NATO European countries, the percentage of total employment dependent on exports to the Bloc is below the 1.0 percent estimate for West Germany.

Figure 3
NATO Europe's Trade With the Soviet Bloc: Commodity Composition



Other Economic Relationships

Other categories of economic ties that play a major role among Western countries—such as flows of services and investment—are extremely small between East and West. The major exception is the large debt that the Bloc countries ran up with Western Europe, mostly during the 1970s. Although the West Europeans now find themselves overexposed, we believe that they could cope reasonably well with a default by any single Bloc country. The greatest exposure is that of West German banks to Poland, and their nervousness has been an important determinant of West German attitudes and policy on East-West issues. Nevertheless, as of last year each of the six most heavily involved banks had sufficient loss reserves to write off its Polish loans. In fact, the stronger banks have already begun to do so. Although it seems highly unlikely, a Bloc-wide default would obviously be far more serious, and we suspect it would lead to a major intervention by the West European governments to prevent a banking crisis.

The Siberian Gas Pipeline

The acrimonious pipeline dispute arose in part because both Americans and West Europeans initially underestimated the importance that the other side attached to the pipeline. By the time Washington raised strong objections, the West European governments had already committed themselves to the deal, and contract negotiations were well under way. Moreover, the US arguments initially focused on the question of energy dependence on the USSR—an issue that the West Europeans said they had already studied carefully and resolved to their satisfaction. Given the advantages that the West Europeans see in the pipeline deal, however, we doubt that any shift in the timing or nature of the US objections would have altered the outcome

The West Europeans clearly are convinced that the pipeline deal is a good one for them, taking into account their projected energy needs and considering such aspects as the cost and reliability of Soviet gas, the cost of their export credit subsidies, and the export sales for West European industry that are likely to result. And, despite less bullish demand forecasts now than three years ago, they remain convinced that they will need large additional gas supplies, especially in the 1990s. The West Europeans stress that the pipeline will not increase their overall energy dependence on the Soviets because their oil imports from the USSR will fall sharply over the next few years. In our judgment they have not focused extensively on what the additional gas revenue might do for Soviet military power, but they tend to argue that the Soviet military will get the resources it wants whether or not the pipeline is built. They are skeptical that it is in the West's interest to cause cutbacks in Moscow's consumer-oriented and civil investment expenditures that they believe would result if earnings from the pipeline were reduced or cut off.

Numerous statements by West European leaders make it clear that their prime energy goal is to reduce their dependence on OPEC. While that dependence has fallen significantly since 1973, a sustained OPEC embargo would still have a devastating impact. In searching for OPEC substitutes, the West Europeans obviously would prefer to find energy sources in the industrial West because of their reliability. It is partly for this reason that they plan to expand substantially their use of coal and nuclear power. The Soviet gas will help reduce dependence on OPEC by substituting for oil in home heating, and to date there have been no alternative gas sources that could match the Soviet offer. West European gas producers have been neither willing nor able to expand production sufficiently in the 1980s, or to boost exploration/development to ensure deliveries down the line; moreover, potential non-European sources—such as Algeria, Nigeria, Qatar, Indonesia, Iran, or Canada—appear too unreliable, too expensive, or both

The West Europeans argue further that the Soviet gas deal is relatively advantageous in terms of security, flexibility, and price:

- *Security*. The deal provides the West Europeans with a 25-year (1984-2008) gas supply from a partner that they clearly consider to be more reliable than OPEC. They have repeatedly stated their belief that Moscow will deliver the gas on schedule both to maintain its hard currency earnings and to preserve its reputation as a reliable trade partner.

- *Flexibility*. The Soviets also agreed to significant flexibility in gas deliveries West Germany has a one-time option to permanently reduce the base amount of gas in its contract (10.5 billion cubic meters per year, excluding West Berlin) by up to 20 percent.[1] More important, each purchasing country in each year of the contract will have the right to reduce deliveries during that year up to 20 percent below the base amount. This option likely will be utilized during the early years of the contract, when the West Europeans appear to be facing a gas surplus.

[1] West Berlin will receive 650 million cubic meters annually under a separate contract signed in March 1983.

Table 2
NATO Europe: Energy Dependence on the USSR, 1980 [a]

	Primary Energy Requirements											
	Total		Coal		Oil		Gas		Nuclear		Other	
	Million tons oil equiva-lent	*Percent from USSR*	*Million tons oil equiva-lent*	*Percent from USSR*	*Million tons oil equiva-lent*	*Percent from USSR*	*Million tons oil equiva-lent*	*Percent from USSR*	*Million tons oil equiva-lent*	*Percent from USSR*	*Million tons oil equiva-lent*	*Percent from USSR*
Total	**1,106.7**	**5.0**	**259.6**	**0.8**	**575.1**	**6.6**	**172.4**	**9.7**	**39.1**	**0**	**60.4**	**0**
West Germany	272.2	6.1	83.5	0.2	130.5	5.5	43.3	21.0	10.1	0	4.8	0
France	198.2	6.2	35.7	2.5	109.3	7.9	21.9	12.2	14.4	0	16.9	0
Italy	142.1	9.2	13.2	5.2	93.4	8.0	23.1	21.2	0.5	0	11.8	0
United Kingdom	201.5	0.5	69.6	0	80.6	1.2	41.1	0	9.0	0	1.2	0
Netherlands	65.5	9.7	4.1	0	29.6	21.5	31.0	0	0.9	0	0	0
Belgium/Luxembourg	50.4	5.1	13.4	1.3	24.2	9.8	9.5	0	3.0	0	0.3	0
Denmark	19.2	7.7	6.1	0.1	13.2	11.1	0	0	0	0	−0.1	0
Norway	24.1	0.6	1.4	0	9.1	1.5	0.9	0	0	0	12.6	0
Spain	75.2	2.3	15.3	0.3	49.9	3.3	1.6	0	1.2	0	7.1	0
Portugal	10.7	4.5	0.5	0.6	8.2	5.9	0	0	0	0	2.1	0
Greece	16.2	4.6	3.5	0.6	11.7	6.2	0	0	0	0	0.9	0
Turkey	31.4	0.6	13.3	0	15.4	1.3	0	0	0	0	2.8	0

[a] Because of rounding, components may not add to totals shown.

- *Price.* While the recent decline in oil prices makes the Soviet gas deal appear less attractive than when it was signed, recent reporting from make it clear that the West European purchasers are still satisfied. We believe that all the contracts are patterned on the one signed by Ruhrgas of West Germany. According to this contract specifies a minimum deutsche mark price for the gas, which, at the 1 May 1983 exchange rate of 2.46 deutsche marks per US dollar, works out to about $4.80 per million Btu. On an energy-equivalent basis, this corresponds to oil at $27 per barrel. For comparison, at the time of signing the price of oil was $34 and was expected to continue rising. The contract also contains an escalator clause linked to oil prices. Although the link is mainly to heavy fuel oil and heating oil rather than crude, the escalator clause probably would go into effect only when the price of crude rises above $40. At that point the gas price would begin rising above the minimum figure, in proportion to any additional oil price increases. The purchasers thus seemed assured of always getting the gas at a price substantially below the energy-equivalent price for oil. The recent drop in oil prices, along with the possibility of further declines, has created an unexpected situation. It appears, however, that the gas contracts also contain an escape clause that permits the purchasers to pay the prevailing market rate for gas should it drop below the minimum price for an extended period. In any event, press and reports agree that the companies buying the gas do not seem to be worried by the drop in oil prices.

West European Gas Options in the 1990s

The key energy question now facing the West Europeans is how they will cover their gas needs in the 1990s and beyond. Although gas consumption has declined for three consecutive years, most energy forecasters believe that this trend will be reversed when economic recovery begins and that consumption will increase by one-third or more by the end of the century. Domestic gas production meanwhile will fall substantially. In particular, production in the Netherlands will drop sharply, due to both declining fields and government policy: The Hague wants to preserve more gas for domestic use and thus does not plan to renew many gas export contracts that expire in the 1990s. French gas production also will fall as its major fields near exhaustion. All told, the West Europeans appear to be facing a gas deficit toward the end of the century that could equal the throughput of one—and possibly even two—Soviet export pipelines

Norway offers Western Europe's only hope of meeting its additional gas needs from domestic sources. Norwegian offshore reserves are large enough, but the gas would be expensive because of the difficult operating conditions. A second problem is the go-slow approach of the Norwegian Government, which does not want the economy to become overly dependent on energy production. The Netherlands could produce more gas in the 1990s than it now plans; if budget deficits remain large, The Hague might be pushed in this direction. Another possible option is a Dutch-Norwegian gas swap, whereby the Netherlands would step up gas output through the mid-1990s and receive Norwegian gas in later years in exchange. We doubt, however, that the economics of such a swap would be attractive to The Hague. Among non-European gas sources, only Algeria seems clearly able to supply large additional amounts of gas at reasonable cost in the 1990s. Buying Algerian gas would not, however, contribute to the West Europeans' goal of reducing their energy dependence on OPEC. Algeria, moreover, has so far established a rather poor reputation for reliability as an energy supplier.

Outlook

Economic ties between Western Europe and the Soviet Bloc are not likely to increase substantially during the remainder of this decade. The surge in trade that occurred in the mid-1970s was financed mainly by increased lending from Western banks and higher Soviet oil earnings following the 1973 OPEC price increase; there is little chance that either of these events will be repeated. The banks clearly do not want to increase their exposure to Eastern Europe, and Soviet oil exports are almost certain to fall over the next few years—perhaps more than offsetting increased earnings from gas exports via the new Siberian pipeline. Bloc exports of raw materials and manufactured goods will be restrained by the sluggishness of economic growth in Western Europe and by continuing high unemployment rates in industries such as clothing and textiles. With its access to hard currency thus restricted, the Soviet Bloc is not likely to increase its share of NATO Europe's exports much above the 3.2 percent figure recorded in 1982.

While the West Europeans are anxious to avoid a repeat of the pipeline dispute, they almost certainly will be adamant on several prerequisites to any agreement on future economic policy toward the USSR: (1) the burden must appear to be shared evenly among the Western countries; (2) the measures must not be applied retroactively, and, (3) the measures must be aimed at Soviet military power, not at the civilian economy. Possible areas of compromise might include:

- *The second strand of the pipeline.* Construction of a second Soviet pipeline would be one way to meet Western Europe's projected gas shortfall in the 1990s, although there are no negotiations in immediate prospect. The West Europeans would be concerned about substantially increasing their dependence on Soviet gas. The gas needs, moreover, perhaps could be satisfied by some combination of other measures: conservation, substitution of other fuels, or expanded gas production in Norway and the Netherlands. Given these possibilities, the West Europeans might be willing to renounce the Soviet option.

- *Tighter COCOM restrictions.* We believe that sensitivity to COCOM issues in Western Europe has increased over the last year or so, in part because of evidence presented by the United States showing that technology transfers have contributed significantly to Soviet military improvements. Nevertheless, the West Europeans will continue to take a much narrower view of the subject than does the United States and likely will agree to only limited changes in COCOM procedures.

- *Tighter credit terms.* There is considerable support—particularly from West Germany—for ending subsidized interest rates on Soviet credits. Paris still strongly opposes the elimination of subsidies, although there is at least some technical-level support for the idea within the French Government. The West Europeans are likely to argue, however, that formal agreement is no longer necessary because US objectives in this area have already been substantially achieved. They will point out that private credit to the Soviet Bloc has been sharply curtailed and that future official subsidies will be much reduced by last July's agreement within the OECD consensus to raise the minimum rate on Soviet credits to 12.4 percent. The subsidy issue has also been defused to some extent by the decline in market interest rates over the past year; it would revive if interest rates turn up again. On two issues the West Europeans are not likely to yield any ground: (1) that export credit guarantees are a legitimate export promotion device, and (2) that the intent of the OECD consensus can be satisfied by charging low nominal interest rates on export credits and inflating the price of the goods to compensate.

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Appendix

Policies and Positions of Major Countries

Table 3
West Germany: Trade With the Soviet Bloc and the United States, 1982 [a]

	World (million US $)	USSR		Eastern Europe		United States	
		Million US $	Percent	Million US $	Percent	Million US $	Percent
Exports	**178,979**	**3,936**	**2.2**	**6,110**	**3.4**	**11,347**	**6.3**
Foodstuffs	10,168	335	3.3	638	6.3	326	3.2
Raw materials	4,413	71	1.6	156	3.5	103	2.3
Fuels	6,971	21	0.3	420	6.0	14	0.2
Manufactures	152,903	3,390	2.2	4,772	3.1	10,848	7.1
Chemicals	21,709	387	1.8	1,240	5.7	1,080	5.0
Semifinished	32,201	1,358	4.2	1,350	4.2	1,833	5.7
Steel	9,761	1,056	10.8	434	4.4	1,003	10.3
Machinery	48,869	1,338	2.7	1,711	3.5	3,484	7.1
Metalworking	3,302	298	9.0	315	9.5	283	8.6
Transport equipment	35,039	242	0.7	142	0.4	3,865	11.0
Consumer goods	15,087	65	0.4	330	2.2	585	3.9
Other	4,523	119	2.6	126	2.8	57	1.3
Imports	**158,093**	**4,669**	**3.0**	**5,926**	**3.7**	**10,602**	**6.7**
Foodstuffs	19,865	32	0.2	757	3.8	2,261	11.4
Raw materials	12,353	357	2.9	482	3.9	938	7.6
Fuels	37,277	3,739	10.0	1,315	3.5	413	1.1
Coal	943	4	0.4	295	31.3	181	19.2
Crude oil	18,443	793	4.3	0	0	0	0
Oil products	10,727	1,428	13.3	1,004	9.4	231	2.2
Natural gas, electricity	7,163	1,514	21.1	16	0.2	0	0
Manufactures	83,281	278	0.3	3,305	4.0	6,938	8.3
Chemicals	12,352	168	1.4	566	4.6	1,191	9.6
Semifinished	21,460	66	0.3	992	4.6	706	3.3
Machinery	19,494	15	0.1	371	1.9	3,863	19.8
Transport equipment	12,132	14	0.1	36	0.3	550	4.5
Consumer goods	17,844	15	0.1	1,340	7.5	628	3.5
Other	5,317	264	5.0	65	1.2	53	1.0

[a] Trade with East Germany is included in the Eastern Europe and World totals even though Bonn does not officially treat this as foreign trade. Because of rounding, components may not add to totals shown.

Table 4
France: Trade With the Soviet Bloc and the United States, 1982 [a]

	World (million US $)	USSR		Eastern Europe		United States	
		Million US $	*Percent*	*Million US $*	*Percent*	*Million US $*	*Percent*
Exports	**92,705**	**1,558**	**1.7**	**1,271**	**1.4**	**5,215**	**5.6**
Foodstuffs	15,421	515	3.3	296	1.9	607	3.9
Raw materials	3,858	9	0.2	61	1.6	93	2.4
Fuels	3,712	20	0.5	8	0.2	33	0.9
Manufactures	69,245	1,014	1.5	905	1.3	4,477	6.5
Chemicals	11,880	250	2.1	250	2.1	652	5.5
Semifinished	17,412	299	1.7	270	1.6	1,053	6.0
Steel	5,636	218	3.9	70	1.2	514	9.1
Machinery	17,770	416	2.3	258	1.5	1,137	6.4
Metalworking	369	28	7.6	13	3.5	19	5.1
Transport equipment	14,059	13	0.1	82	0.6	1,196	8.5
Consumer goods	8,124	35	0.4	45	0.6	440	5.4
Other	469	0	0	0	0	6	1.3
Imports	**115,702**	**2,883**	**2.5**	**1,446**	**1.3**	**9,109**	**7.9**
Foodstuffs	12,330	24	0.2	173	1.4	989	8.0
Raw materials	7,627	317	4.2	151	2.0	467	6.1
Fuels	30,874	2,338	7.6	332	1.1	828	2.7
Coal	1,672	7	0.4	102	6.1	579	34.6
Crude oil	19,893	877	4.4	0	0	0	0
Oil products	5,228	823	15.7	230	4.4	228	4.4
Natural gas, electricity	4,081	632	15.5	0	0	21	0.5
Manufactures	64,347	202	0.3	790	1.2	6,803	10.6
Chemicals	9,849	122	1.2	108	1.1	904	9.2
Semifinished	15,599	17	0.1	226	1.4	525	3.4
Machinery	18,226	11	0.1	121	0.7	4,191	23.0
Transport equipment	8,616	45	0.5	39	0.5	520	6.0
Consumer goods	12,057	6	NEGL	298	2.5	662	5.5
Other	524	2	0.4	1	0.2	22	4.2

[a] Because of rounding, components may not add to totals shown.

Table 5
Italy: Trade With the Soviet Bloc and the United States, 1981 [a]

	World (million US $)	USSR		Eastern Europe		United States	
		Million US $	*Percent*	*Million US $*	*Percent*	*Million US $*	*Percent*
Exports	**75,246**	**1,284**	**1.7**	**1,185**	**1.6**	**5,109**	**6.8**
Foodstuffs	5,597	111	2.0	99	1.8	371	6.6
Raw Materials	1,664	7	0.4	45	2.7	65	3.9
Fuels	4,725	15	0.3	63	1.3	169	3.6
Manufactures	63,181	1,151	1.8	978	1.5	4,488	7.1
Chemicals	5,338	101	1.9	204	3.8	240	4.5
Semifinished	17,725	625	3.5	332	1.9	1,251	7.1
Steel	4,100	441	10.8	78	1.9	548	13.4
Machinery	16,473	365	2.2	328	2.0	975	5.9
Metalworking	975	49	5.0	58	6.0	53	5.4
Transport equipment	7,030	41	0.6	43	0.6	566	8.1
Consumer goods	16,615	19	0.1	72	0.4	1,455	8.8
Other	80	0	0	NEGL	0.1	17	21.7
Imports	**88,996**	**3,085**	**3.5**	**1,612**	**1.8**	**6,136**	**6.9**
Foodstuffs	10,952	14	0.1	296	2.7	1,250	11.4
Raw materials	9,394	267	2.8	152	1.6	584	6.2
Fuels	30,741	2,631	8.6	397	1.3	842	2.7
Coal	1,440	17	1.2	74	5.1	651	45.2
Crude oil	22,202	1,283	5.8	0	0	0	0
Oil products	4,525	286	6.3	312	6.9	191	4.2
Natural gas, electricity	2,574	1,044	40.6	11	0.4	0	0
Manufactures	37,708	173	0.5	759	2.0	3,451	9.2
Chemicals	7,224	105	1.5	176	2.4	574	7.9
Semifinished	8,468	33	0.4	226	2.7	433	5.1
Machinery	10,272	23	0.2	146	1.4	1,613	15.7
Transport equipment	7,392	9	0.1	105	1.4	562	7.6
Consumer goods	4,352	3	0.1	106	2.4	269	6.2
Other	203	NEGL	0.2	8	4.0	10	4.8

[a] Because of rounding, components may not add to totals shown.

Table 6
United Kingdom: Trade With the Soviet Bloc and the United States, 1982 [a]

	World (million US $)	USSR		Eastern Europe		United States	
		Million US $	*Percent*	*Million US $*	*Percent*	*Million US $*	*Percent*
Exports	**97,219**	**623**	**0.6**	**885**	**0.9**	**13,054**	**13.4**
Foodstuffs	6,991	39	0.6	123	1.8	664	9.5
Raw materials	2,267	49	2.2	45	2.0	79	3.5
Fuels	19,594	9	NEGL	66	0.3	5,420	27.7
Manufactures	65,322	516	0.8	640	1.0	6,668	10.2
Chemicals	10,712	105	1.0	190	1.8	725	6.8
Semifinished	13,901	122	0.9	121	0.9	1,362	9.8
Steel	2,264	34	1.5	15	0.7	261	11.5
Machinery	30,766	232	0.8	240	0.8	3250	10.6
Transport equipment	914	12	1.3	27	3.0	161	17.6
Consumer goods	9,029	45	0.5	63	0.7	1170	13.0
Other	3,047	9	0.3	13	0.4	223	7.3
Imports	**99,674**	**1,129**	**1.1**	**843**	**0.8**	**11,620**	**11.7**
Foodstuffs	13,248	11	0.1	44	0.3	741	5.6
Raw materials	6,325	218	3.5	144	2.3	835	13.2
Fuels	12,956	740	5.7	46	0.4	355	2.7
Coal	392	2	0.4	23	5.8	135	34.4
Oil, crude and products	10,983	738	6.7	23	0.2	219	2.0
Natural gas, electricity	1,581	0	0	0	0	2	0.1
Manufactures	64,914	142	0.2	607	0.9	8,907	13.7
Chemicals	7,319	32	0.4	67	0.9	753	10.3
Semifinished	17,262	42	0.2	229	1.3	1,075	6.2
Machinery	27,968	51	0.2	122	0.4	5,029	18.0
Transport equipment	666	NEGL	0.1	5	0.8	147	22.0
Consumer goods	11,699	17	0.1	184	1.6	1,903	16.3
Other	2,232	18	0.8	2	0.1	784	35.1

[a] Because of rounding, components may not add to totals shown.